



CITY OF CONCORD

NEW HAMPSHIRE

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Revised 2/5/10

ECONOMIC DEVELOPMENT ADVISORY COUNCIL

Minutes

January 8, 2010

7:30 A.M.

The meeting convened at the Merrimack County Savings Bank, 89 North Main Street, Concord. Coffee and refreshments were served compliments of Claudia Walker.

Chairperson Carley called the meeting to order at 7:40 A.M.

PRESENT: Allen Bennett, Tim Bernier, Christopher Carley, Maura Carroll, Byron Champlin, Mark Coen, Peter Cook, Larry Gloekler, Jan McClure, Bill Norton, and Claudia Walker

ABSENT: John Hoyt, Dan St. Hilaire, and Stephen Heavener

STAFF: Carlos P. Baía, Deputy City Manager - Development
Bev Rafferty, Administrative Assistant

GUESTS: Representing Grappone Auto Group: Larry Haynes, President, and Alan Lord, Facilities Manager

I. MINUTES OF THE DECEMBER 4, 2009 EDAC MEETING

Chairperson Carley had one edit; page 4, third paragraph, change the word "Statutes" to "standards". Bill Norton made a motion to accept the minutes as amended; seconded by Byron Champlin; motion passed unanimously.

II. Grappone Auto Group - Request to connect to Concord water system

Carlos Baía informed EDAC that City Council received a request from the Grappone Auto Group in Bow to connect to the city's water system. The water they are using now is not potable and is heavy in mineral content which also has a dire effect on the vehicles. The State has recommended they install a very expensive filtering system.

Mr. Baía noted that a similar request had been presented before to the City Council on a number of occasions. The reason for not acting on this, per the minutes, was primarily out of a concern for the economic development implications for Concord.

Mr. Baía noted that staff is working on options. Mr. Baía noted that the city had sent the Town of Bow Selectmen a letter in early November seeking either their support of the connection or a letter noting why it should not be done. To date, the city has had no reply from the Town of Bow.

Bow has plans to expand their water system but it was thought the expansion would not be coming up as far as the Grappone junction.

There could be benefits to Concord in doing this connection as currently the city has dead end pipes in that area. Mr. Baía showed a map of the junction area noting where the water pipes currently are located. Concord does supply water to some businesses on South Main Street and Hall Street that straddle the municipal line. These (Irving and Amoskeag Beverage) take the City's water from the Concord side of their operation. The City also supplies water to a number of homes along Hall Street.

Mr. Baía explained the length and diameter of pipe that would need to be laid and he noted that a very conservative number would be \$350/linear foot for a cost of \$1.8M to do all the connections (the assumption being that the other businesses in the Junction would want to connect).

Discussion ensued about the daily usage and it was noted that 20,000 gallons/day was what was cited for Grappone's utilization. It was still unclear if this usage would negatively impact the City's long range water plans. Mr. Baía said the City had not gotten that far in its analysis and that it will be something to be discussed after staff receives policy direction.

There was discussion on tapping the Merrimack River at some point in the future. At this time Penacook Lake is the city's main source of water with the Contoocook River as a secondary back-up. The city does have the right to tap the Merrimack River and there are wells in Pembroke.

At this time Larry Haynes, President of Grappone Auto Group, informed EDAC that this connection has been thought about for some time; they do have wells but the water is not good; it is not drinkable and the mineral content may damage the paint on the cars. Alan Lord, Facilities Manager of Grappone Auto Group, also noted that they recapture and reuse the runoff water.

Chairperson Carley inquired how the numbers worked out if the city bonded this project. Would Concord/Bow split the cost for construction and then the city would have income coming in from sale of the water. Mr. Baía felt that Bow and/or Grappone should bear the entire cost if this were to be pursued.

Mr. Baía noted a second alternative would be for the city to install a meter pit at the town line and let the interested parties on the Bow side do the rest of the

connection. Apparently, Pennichuck Water has demonstrated an interest in being the city's customer and would likely take over the distribution in Bow.

What benefit is this to the city? Mr. Baía explained that there is a school of thought that views a loop system as enhancing the water infrastructure because it helps regulate pressure and reduces mineral sedimentation.

Maura Carroll inquired about control. If the loop is created, the city has control over the water; if Pennichuck took over, they would control it. Mr. Baía noted the control—to an extent—would be based on the size of the meter; the meter controls how much water goes through.

Chairperson Carley noted that fire sprinklers are not metered. There was some discussion about buildings being “sprinklered”.

Claudia Walker noted the loop would open this up to other clients not just the Grappone Group. If we do install the meter pit, Pennichuck would probably connect everybody.

Mr. Baía noted the main question is whether EDAC wants to recommend supplying water to another community from an economic development policy perspective. It was asked if the loop were done would it generate more revenue by connecting to other businesses vs. installing the meter pit and selling only to Pennichuck Water. Chairperson Carley noted that, assuming the numbers work, is there any policy reason why the City should say “no” or is there any reason why we should say “yes” because there is an economic benefit to this.

Maura Carroll noted that the Grappone companies are a huge benefactor to Concord and regionalization of resources is the future. She is of the opinion that we need to think more broadly.

It was noted that the Bow Economic Development Corporation is supportive of this connection but with a project of this magnitude, we really should have something from the Bow Selectmen.

Peter Cook noted this is a financial incentive for Bow as property values will go up. Tim Bernier noted commercial property that has public water has increased potential. Mr. Bernier also noted he felt the City of Concord has been close-minded about its role in the region.

Byron Champlin inquired if there was any precedent for cost sharing. Mr. Champlin also asked if there is a dollar value that can be placed on the loop vs. the dead end.

Mark Coen noted the water fund is an Enterprise Fund so he would want General Services water division's feedback.

Allen Bennett noted that if the city is going to connect the water, it would behoove Concord to put in the loop so we get something and Bow gets something. Bill Norton mentioned possible stimulus money to pay for this project.

Tim Bernier noted it seems doable and it would not hurt Concord economically. However, the city does not have \$1.8M so a financial analysis for a possible bond issue would need to be undertaken.

Alan Lord noted the sewer does the loop and that Bill Klubben, Bow's Planning Director, supports this connection on behalf of the Town.

It was noted that if the meter is just installed, that is something that could be done quickly. If the loop is going to be done, it could take months or years to complete.

Jan McClure noted she would like to hear from General Services, especially from someone who knows the water system, before she votes on this request. She feels it should not cost the city any money but if it is an economic benefit that's fine - just no cost to the city. She felt the meter pit seemed sensible. She continued that the city is so stressed right now she cannot see the city spending money to do this. This request has already cost the city money, i.e. staff review, etc.

Byron Champlin noted there is a benefit to the city in sustaining a business that is a regional magnet and, in terms of public relations, the city should be in favor of providing water to them.

Larry Gloekler felt the business is in Bow so let Bow start the communications. Grappone is a dual citizen but we need to talk with Bow. Claudia Walker noted the reality is that Grappone is the only one who feels they need this water connection. Mr. Gloekler reiterated that the request should come up through the Town of Bow and over to Concord.

Claudia Walker inquired, from a policy point of view, does EDAC have any problems with providing the water as long as no city money is spent.

(Allen Bennett and Maura Carroll left the meeting at 8:30 A.M.)

Discussion continued in general about providing the water as long as no city money was spent. Mr. Champlin noted that EDAC's purview is the business climate and is there a business and development advantage to the city, in one way or another, if we make the water connection (loop or meter) but it will take others to make the decision how we do it.

Jan McClure noted the economic impact we are not sure of but from a purely business development purview, it would be good. Byron Champlin noted, as others mentioned earlier, this request should come from the Town of Bow as it is in their best interest to keep a huge corporation like Grappone. Peter Cook agreed. Mr. Cook also noted that the cost must be flushed out; Bow is going to benefit from this.

Mark Coen noted if the meter pit is installed, we get the profit from selling the water and Tim Bernier noted that economically, that is our purview and the fiscal cost to the city is what we are concerned about. EDAC needs that fiscal analysis to know the numbers. Jan McClure noted, however, there is no need to do the analysis if Bow is not behind this project. It was Grappone who came to the City, not the Town.

Mark Coen asked if there had been any dialogue between the city and Bow's Economic Development Corporation and it was noted they were in support of it.

After some brief general discussion, Claudia Walker made a motion in favor of supplying water to Grappone Auto Group; seconded by Tim Bernier; motion passed unanimously.

After the motion passed, it was the general consensus that EDAC did think the city should see some reasonable return on its investment and EDAC feels, from an engineering point of view, the loop benefits the system. EDAC also felt that, unless the loop option were done with little or no net cost to the city, the meter pit option is the most likely solution at this time.

A second comment was the city should not spend any more effort on analysis of this until it hears from the Town of Bow that they are either interested or not in doing this water connection project.

III. Council Referral Regarding Abandoned Commercial Signs

Carlos Baía informed EDAC that an e-mail from a citizen had been forwarded to City Council regarding the abandonment of signs from businesses that have closed in Concord. This e-mail was then referred to EDAC for reply.

Mr. Baía continued that prior to 2001 there was a specific reference in the ordinance that businesses had six months to remove their signs should they be deemed abandoned. He read the old ordinance to EDAC. The new ordinance does not have anything that clear. He read the new ordinance.

The signs may be the property of the business and/or the business may be in receivership complicating the matter of enforcement.

Tim Bernier noted that by leaving the signs up we don't see the holes and wires and empty space behind them so people coming into the city at least see something there. Bill Norton noted that some of those companies in receivership are still paying rent to the building owner.

Mark Coen noted his response to the letter writer would be that if we take the signs down, it degrades the property. He noted the former Page Belting building still has a sign on it but that is more for the history of the building.

Larry Gloekler noted if it is a leasehold agreement, it becomes the responsibility of the landlord.

After brief discussion, Tim Bernier made a motion that there is no need to change the current enforcement protocol; Byron Champlin seconded; motion passed unanimously.

(Due to the time, item IV was not discussed at today's meeting)

V. Building Permits Info

Carlos Baía informed EDAC that Mike Santa, Code Administrator, has been invited to the February meeting to refresh us on where we are and do a presentation on values. The 2009 books have just been closed so he will have up to date numbers.

VI. Other Business

- At the February meeting EDAC will also discuss the sub-committee report on electronic signs;
- At the March meeting EDAC will continue discussion on the Regulations Sub-committee Report and Mr. Baía noted that there will be some public forums forthcoming; Jeff Taylor has been hired as the public facilitator and he is meeting with the Mayor on Monday, the 11th. The time line is forums mid-February/March; report in April so EDAC will have time to finish its report to City Council on the regulations.
- Creative Economy: Byron Champlin gave an update on the Creative Concord project. He noted that last evening he had attended a meeting of the Arts Satellite Network and State Council of the Arts with Tim Sink, President of the Chamber of Commerce. Even though Concord was late getting involved, the response was great. Concord is on the ball.

Mr. Champlin noted that artists met with CATCH last evening as well to determine how you qualify artists and he feels progress was made there. The

other message this will send is that this is an arts community and that Concord is open to the arts and this would be a good place for artists to come.

The League of NH Craftsmen will be moving into the new office building Steve Duprey is building on Storrs Street. CATCH will be building a 45 unit complex as well of which 50% of the units will be rented to artists. Mr. Champlin noted that the League of NH Craftsmen is selling CDFA tax credits to get them into this new building.

- Paul Rizzi, President of Merrimack County Savings Bank, stopped by to welcome EDAC. He thanked them for their work in the community and wished everyone a Happy New Year!

VII. ADJOURNMENT

There being no further business and upon a motion duly made and seconded, the meeting adjourned at 9:05 A.M.

Respectfully submitted,

Beverly A. Rafferty
Administrative Assistant